



Comptroller's Office | Phone: 860.584.6130 | Fax: 860.584.3827

To: Board of Finance
From: Diane M. Waldron, Comptroller *DMW*
Re: Mill Rate Stabilization Fund – Health Insurance Transfer
Date: May 19, 2020

As of June 30, 2019 the City set aside \$1,650,000 in a Mill Rate Stabilization Reserve (MRSF). Of this amount \$650,000 was set aside to phase in the Senior Tax Relief Program and the remaining balance was to be used to mitigate any increases in the mill rate.

During the 2020/2021 budget process it was recommended to use \$400,000 of the MRSF to reduce the City and Board of Education's appropriation to the Health Benefits Fund, an Internal Service Fund, where all health claims and expenses are accounted for. After discussing this with the auditors on the proper treatment of this for financial reporting purposes, it is recommended that the \$400,000 be transferred out of the MRSF to the Health Benefits Internal Service Fund prior to the end of the fiscal year. Action at the May Board of Finance meeting and June Joint Meeting will achieve that recommendation.

Please approve the following resolution:

The Board of Finance approves the use of \$400,000 from the Mill Rate Stabilization Fund to prefund City and BOE Health Benefits for FY2021.

CC: Robin Manuele, Assistant Comptroller